

EXHIBIT A

TRANSCRIPT OF JUNE 11, 2007 COURT PROCEEDINGS

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - CAPE MAY COUNTY
DOCKET NO. CPC-L-605-01
APP. DIV. NO.

BANC OF AMERICA,	:	TRANSCRIPT
	:	
Plaintiff,	:	OF
vs.	:	
	:	
QUINN WOODBINE, et al,	:	SETTLEMENT
Defendants.	:	

Place: Cape May County Courthouse
4 Moore Rd.
Cape May County, NJ

Date: June 11, 2007

B E F O R E:

HONORABLE JOSEPH C. VISALLI, J.S.C.

TRANSCRIPT ORDERED BY:

BARRY, CORRADO, GRASSI & GIBSON (Frank Corrado, Esq)

A P P E A R A N C E S:

GREGORY & REED,
BY: STEVEN REED, ESQ.,
Attorney for the Plaintiff.

BARRY, CORRADO, GRASSI, & GIBSON,
BY: FRANK CORRADO, ESQ.,
Attorney for the Defendants.

LEWIS SCHWELLER, ESQ.,
Attorney for the Intervenor.

Sound Recorded by: N/A

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BARRY, CORRADO ATTY.

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I N D E X

08/14/07

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SETTLEMENT ON RECORD

By Mr Reed

4,13

By Mr. Corrado

7

By Mr. Schweller

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Colloquy

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1 (Proceedings commence at 11:54 a.m.)

2 THE COURT: Please be seated.

3 Counsel, please enter your appearances
4 and the parties, of course, that you're representing.

5 MR. REED: Good morning, Judge. It's a
6 couple minutes after noon. I'm Steve Reed on behalf
7 of the plaintiff, Banc of America.

8 MR. SCHWELLER: Lewis Schweller, Your
9 Honor, on behalf of Intervenor, Daley Hocken
10 (phonetic) Corporation.

11 MR. CORRADO: Your Honor, Frank Corrado
12 on behalf of the defendant, Quinn Woodbine, the --
13 and the other defendant.

14 THE COURT: And the individuals as well,
15 right?

16 MR. CORRADO: Yes. Correct.

17 THE COURT: All right. I understand that
18 you --

19 MR. CORRADO: Your Honor, with me at
20 counsel table is Mrs. Marietta Quinn, who is the
21 husband -- or excuse me -- the wife of Michael Quinn,
22 and who could not be here today because of a very
23 serious arthritis problem that makes him difficult
24 for him to walk.

25 Mrs. Quinn is a authorized to speak on

Colloquy

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1 behalf of her husband today, and she is also
2 authorized to speak on behalf of the corporation.

3 THE COURT: All right. It's been
4 reported that all issues in this case are resolved,
5 subject to certain formalizations, and someone wants
6 to place that on the record please?

7 MR. CORRADO: That's correct, Judge.

8 MR. REED: Yes, Judge. Again Steve Reed
9 on behalf of the Banc.

10 The parties have spent the last several
11 hours this morning, Judge, discussing settlement, and
12 we've to an agreement, a verbal agreement between all
13 three parties.

14 The agreement is agreeable and acceptable
15 to my client, Ed Wilson, who's here today. The only
16 contingency he has is he needs to write up the
17 settlement terms at his office tomorrow and then
18 present those to the other supervisors at his office
19 to get final approval.

20 He has recommended it, though, and has
21 discussed this settlement with the people back at his
22 office in Providence, Rhode Island. And he hopes and
23 expects that the settlement would be approved.

24 So that is -- there is that one
25 contingency, but subject to that, Judge, we have -- I

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1 had written a term sheet letter actually to Mr.
2 Corrado back in March, and the terms of that
3 letter which go on for a few pages, and if Your Honor
4 just doesn't mind it if I just those pages on the
5 record --

6 THE COURT: No, that's fine.

7 MR. REED: -- and, you know, maybe I'll
8 try to abbreviate it a little bit. Put those terms
9 on the record, and they are the basic terms of the
10 settlement between all three parties, essentially, at
11 the sum of between us and --

12 MR. CORRADO: I think I can go through
13 that in terms of --

14 MR. REED: Oh, you want to do that?

15 THE COURT: Is it really necessary to do
16 that or just mark that as evidence?

17 MR. CORRADO: Well, because it contains
18 terms that aren't in the settlement, I'd prefer that
19 we sort of summarize it to Your Honor.

20 THE COURT: All right.

21 MR. CORRADO: And then have it reduced to
22 writing.

23 THE COURT: Okay.

24 MR. REED: And it is subject to a written
25 agreement that we expect the parties to enter into.

Colloquy

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1 This is just the term sheet.

2 And so the settlement today, Judge, would
3 be contingent also upon the parties agreeing to
4 terms, and they may have additional -- there might be
5 some additional terms, I'm sure there will be, some
6 various other terms.

7 MR. CORRADO: Judge, the terms are as
8 follows:

9 The Quinn entities, meaning Quinn
10 Woodbine Realty & Leasing Company and Michael
11 Quinn, will agree to the calculations of Chancery
12 judgment balances, and will not challenge those in
13 court.

14 The settlement amount, which I will get
15 to in a minute, will be increased to the extent the
16 bank has to make any payment for real estate taxes or
17 liens on the property that is the subject of the
18 foreclosure judgment here. It's a bindery property
19 in Woodbine.

20 And the settlement anticipates the Quinns
21 making those payments; but it should be possible --
22 should it happen during this settlement period that
23 the bank has to make those payments, then the Quinns
24 recognize that they will be -- they will have to
25 reimburse the bank for those payments.

Colloquy

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1 The Sheriff fee's payable at the closing,
2 and the contemplated settlement would be -- sheriff
3 fees that would otherwise be payment on the
4 foreclosure sale would be split 50/50 by the Quinns
5 and the bank.

6 The bank will credit or reduce the
7 judgment, Chancery Division judgment and the Law
8 Division judgment, by the sum of two hundred thousand
9 dollars. If such amount -- if the reduced judgment
10 amount is paid off as a -- this says, "as been set
11 forth below" -- the settlement payment, the releases,
12 and other provisions of the stipulation agreement
13 would settle and resolve both judgments in both
14 cases.

15 The bank will accept the settlement
16 amount to satisfy the judgment, provided the real
17 estate is under a bona fide contract of sale no later
18 than twelve months from the agreement date.

19 In addition, the bank will allow an
20 additional six months for settlement after that. So
21 it's a total of eighteen months.

22 The bank will accept the settlement
23 amount minus an additional twenty-five thousand
24 dollars to satisfy the judgment, up to six months
25 from the effective date of the stipulation and

Colloquy

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1 settlement agreement that we're reaching here
2 today.

3 Whether or not the real estate is subject
4 to a bona fide contract for sale -- in other words,
5 if the property -- if the loan is paid off or the
6 property is sold within six months, in addition to
7 the 200,000-dollar credit that we're -- the bank is
8 extending, they will extend an additional \$25,000
9 credit.

10 Mr. Quinn will provide copies of any
11 written offers to the bank and copies of any
12 contracts, et cetera.

13 And the real estate closing will the bank
14 settlement amount on the closing statement.

15 If the settlement amount is not paid,
16 then the bank shall be entitled to recover the full
17 Chancery judgment amount, as it may be the subject,
18 when we calculated or amended from the property, by
19 an uncontested foreclosure and sheriff's sale.

20 The bank will provide an Environment
21 Phase I and II reports without charge to the Quinns.
22 The Quinns will sign a form of indemnification and
23 disclosure/nondisclosure pertaining to the use of
24 those accounts or those reports.

25 And that there will be mutual releases

Colloquy

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1 among all parties. The Quinn releases will be
2 effective immediately at the time of the signing, and
3 the bank's will be effective upon the payoff.

4 The agreement's to provide that the QW,
5 that the Quinns will in the -- the Quinn defendant in
6 the foreclosure action will consent to --

7 I'm sorry, Steve. This sentence doesn't
8 make sense.

9 MR. REED: Yeah. To lift the bankruptcy
10 stay. It says bank, to bank, lifting the stay, if it
11 thought it should be the bank lifting the stay if he
12 files bankruptcy in the future.

13 MR. CORRADO: Oh, okay. So in other
14 words, if there were a bankruptcy, and the Quinns did
15 do a bankruptcy, and the bank moved to lift the stay,
16 you wouldn't object to that. Is that -- Is that
17 correct?

18 MR. REED: That's correct. They would
19 agree that we could have a lift of the stay.

20 One of the Quinn Woodbine entities, Your
21 Honor, has not filed bankruptcy. I don't -- I'm not
22 sure, but I don't believe you can have a corporate
23 entitle or an individual waive the right to, you
24 know, waive the right to file bankruptcy. But I
25 believe you can ask the client, the corporate client

Colloquy

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1 or individual, to agree ahead of time that there
2 would be a lift of the bankruptcy stay to allow
3 foreclosure to continue.

4 THE COURT: But that entity really
5 doesn't have title interest in the property, does
6 it?

7 MR. SCHWELLER: No. Not right now.

8 THE COURT: Let me -- not a problem.

9 MR. SCHWELLER: Thank you.

10 THE COURT: All right. Go ahead.

11 MR. CORRADO: The Quinns are requesting
12 that the bank provide it with statements of any
13 changes in the -- they keep the Quinns informed of a
14 running total of the loan amount over time as this
15 goes forward.

16 THE COURT: On -- how frequently?
17 Monthly, quarterly, or what?

18 MR. CORRADO: Monthly would be fine.

19 MR. REED: Monthly running totals?

20 MR. CORRADO: Yeah.

21 MR. REED: With the interest, just the
22 payoffs?

23 MR. CORRADO: Uh-huh. Yeah, so they know
24 what the amounts are.

25 MR. REED: Is that acceptable?

Colloquy

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1 (Mr. Reed speaking to unidentified
2 person)

3 MR. REED: Yes, that should be fine,
4 Judge.

5 Upon request? You'll request it? I just
6 want the reports --

7 MR. CORRADO: If they would come monthly,
8 that would be the ideal -- so they'd know how to do
9 it.

10 MR. REED: All right. But that wouldn't
11 mean we took a breach of the agreement, and that --
12 one that wasn't sent out. Some. I mean, obviously.

13 MR. CORRADO: Okay.

14 THE COURT: If you don't get it, you
15 call.

16 MR. CORRADO: Yes.

17 THE COURT: Maybe it's an oversight or
18 something.

19 MR. CORRADO: Sure.

20 THE COURT: And there might have to be
21 something that's done manual. Who knows?

22 MR. REED: Right.

23 MR. CORRADO: I'm sorry, Judge. I need
24 to ask Mr. Reed something.

25 (Counsel speak off the record)

Colloquy

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1 MR. CORRADO: And finally, Judge, if
2 there's any further litigation, there will be a
3 prevailing party stipulation with respect to the
4 terms of the agreement.

5 THE COURT: All right. Now you have
6 something to place on regarding --

7 MR. CORRADO: Also -- I mean, this
8 settlement, this term sheet indicates that the
9 Daily -- that this settlement is contingent upon
10 a settlement between the Bank and Daley Hocken,
11 Judge, which I suppose we put on the record right
12 now.

13 THE COURT: All right. The settlement
14 you've articulated so far is a settlement of the
15 entirety, insofar as your clients are concerned. The
16 Law Division and the Chancery Division, correct?

17 MR. CORRADO: That's correct, Your Honor.

18 THE COURT: And do you have the docket
19 number so -- I don't know the -- do you have that up
20 there as well, the Chancery amount?

21 You want to include that in there?

22 Give us the docket number of that
23 Chancery matter.

24 MR. CORRADO: The docket number of the
25 Law Division is 605-01, the docket number of the

Colloquy

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1 Chancery Division action -- Your Honor, I'm afraid I
2 don't have it.

3 (All attorneys speaking simultaneously)

4 MR. REED: I have it in my box.

5 MR. CORRADO: It's in one of these boxes
6 somewhere.

7 THE COURT: Well, I think it's important
8 that we note that.

9 (Court speaking to Clerk)

10 THE COURT: No, I have that. Find it
11 later

12 (Counsel confer off the record)

13 MR. REED: The Chancery Division docket
14 number is CPM-F-16397-01.

15 THE COURT: 16397-01?

16 MR. REED: That's correct.

17 THE COURT: Okay.

18 MR. REED: Now the only thing I'd add to
19 Mr. Corrado's recitation of the settlement is that
20 the also -- the Law Division judgment will remain
21 active and viable, of course pending the default and
22 quick settlement, that is, the payment of the bank of
23 the settlement amount.

24 THE COURT: In essence, both judgments
25 remain.

Colloquy

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1 MR. REED: That's right.

2 MR. SCHWELLER: Yes.

3 THE COURT: And the bank is agreeing to
4 forestall or --

5 MR. REED: That's right.

6 THE COURT: -- not proceed with any
7 further execution during the relevant time period,
8 subject --

9 MR. CORRADO: And to --

10 THE COURT: -- subject to all the
11 conditions of the agreement, and that would include
12 any activity out of state. I don't know that that
13 there is any.

14 MR. REED: That is correct, Judge.

15 MR. CORRADO: Correct, Judge.

16 MR. REED: That's correct. Everything
17 will be, we would say stayed or --

18 THE COURT: Oh, you mean a stay subject
19 to --

20 MR. REED: -- settled for --

21 THE COURT: -- the settlement --

22 MR. REED: -- for the year and a half
23 while they comply with the agreement, just to sell
24 the property or to raise funds to pay off this other
25 amount.

Colloquy

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1 And if they don't comply with the
2 agreement, then the bank has its uncontested
3 foreclosure action; it can go against the property
4 and/or --

5 THE COURT: But in the meantime,
6 everything stays as is.

7 MR. REED: That's correct.

8 MR. CORRADO: That's correct.

9 THE COURT: Whether it's here or
10 elsewhere.

11 MR. REED: That's exactly right, Judge.

12 THE COURT: Okay.

13 MR. REED: But we'd also, outside the Law
14 Division judgment, in the event that to make one
15 exercise its rights under the Law Division judgment
16 as well.

17 THE COURT: All right. Now you have
18 something to supplement --

19 MR. SCHWELLER: I sure do.

20 THE COURT: -- regarding yourself --

21 MR. SCHWELLER: Just one other thought,
22 Judge, on the environmental reports is that any
23 disclosure of the environmental reports to the
24 Quinns, they would either -- the Quinns to sign off
25 on the Bank's form of disclosure notice for turning

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1 over environmental reports.

2 MR. CORRADO: I think I mentioned that.

3 MR. SCHWELLER: Did you mention it?

4 MR. CORRADO: Yeah.

5 MR. SCHWELLER: I apologize. I didn't
6 hear it.

7 And the settlement, Judge, that we've
8 reached with the Daley Hocken Company is fairly
9 simple.

10 As Your Honor knows, there's indemn --
11 cross-indemnification provisions, which mean the Bank
12 of America and Daley Hocken would resolve those in
13 this lawsuit.

14 And the bank is willing to pay the total
15 amount to be replaced in escrow, in a sense be paid
16 to Daley Hocken, but be placed in escrow, with the
17 Court, the amount of \$125,000.

18 In exchange, the parties, all three
19 parties, of course, would exchange releases, and the
20 Daley Hocken individuals at the company would also
21 provide releases to the bank, individual releases, as
22 well as the two Daley Hocken Corporations would
23 provide releases to the bank, immediately upon
24 signing the agreement. The bank will provide Daley
25 Hocken, the corporations, with releases.

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1 And I had mentioned to Mr. Schwaller,
2 Daley Hocken's lawyer, that I would endeavor to
3 request from the bank, would the bank would be able
4 to provide reciprocal releases to the individuals
5 from Daley Hocken.

6 We're getting the bank releases, and I
7 will make that request, but I doubt that it will be
8 granted but I will make the request; and if it is
9 granted, I'd be more than happy to provide those from
10 the bank to Daley -- to the individuals at Daley
11 Hocken.

12 The money would be -- the monies,
13 \$125,000 that the bank would be paying to Daley
14 Hocken would be deposited with the Court, the Trust
15 Fund Unit of the Court, through a procedure, perhaps
16 most likely through the interpleader for the --
17 procedure.

18 And that procedure would require, I
19 believe, filing a complaint interpleader naming the
20 parties-in-interest as defendants. And the parties-
21 in-interest in that -- in this case would be Daley
22 Hocken and also the law firm of Sullivan Manrow
23 (phonetic) in New York, Daley Hocken's prior counsel,
24 which has asserted an attorney lien against any funds
25 that might be paid to Daley Hocken in the amount of a

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1 hundred and four -- up to a hundred and four thousand
2 dollars.

3 So we are still -- Mr. Schweller and I
4 are still discussing the details as to how we would
5 interplead the money, but the money would have to be,
6 and it's the bank's requirement; it's been agreed to
7 by Daley Hocken, would have to be interpleaded with
8 the Court, so that the bank can make sure that it is
9 extricated from any additional litigation with regard
10 to that payment.

11 THE COURT: All right. Anything else,
12 sir?

13 MR. CORRADO: No. I just want to add
14 that that correctly reflects the agreement between
15 the bank and Daley Hocken, Your Honor.

16 THE COURT: Thank you.

17 Anything further, sir, from you or your
18 client?

19 MR. REED: No, Your Honor.

20 THE COURT: All right. I'll await the
21 final closing documents and the, whatever orders are
22 required.

23 Is there anything else that counsel --
24 the matter's accepted and the Court is -- both cases
25 are marked as settled subject to the filing of the

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1 documents.

2 I thank all three of you and the clients
3 for your I'm sure hard work in coming to this
4 conclusion after a very long period of time here.
5 It's probably the benefit to everyone that it is --
6 it has been done in that fashion.

7 All right. Anything else then, Counsel?
8 If not, then thank you all very much.

9 ALL COUNSEL: Thank you, Your Honor.

10 (Proceedings concluded at 12:12 p.m.)

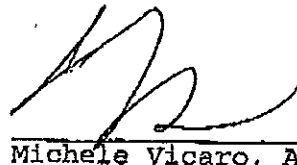
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1 I, MICHELE VICARO, the assigned transcriber,
2 do hereby certify that the foregoing transcript of
3 proceedings in the Cape May County' on August 14,
4 2007 Video, 1154-1212, prepared in full compliance
5 with the current Transcription Format for Judicial
6 Proceedings and is a true and accurate non-compressed
7 transcript of the proceedings to the best of my
8 knowledge and ability.

Date:

CASE #:

8/28/07Michele Vicaro, AD/T 352